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MEMORANDUM FOR: Mr. Richard Lehman
Deputy to the DCI for National Intelligence

SUBJECT : Status Report: Competitive Analysis

1. As of 18 October all three "B" team drafts have been completed. The "A" and "B" team drafts on Soviet ICBM accuracy have been exchanged; the drafts on Soviet strategic policies and objectives are being exchanged today, 19 October; and the drafts on Soviet low altitude air defense will be exchanged later this week, when the "A" team draft becomes available.

2. While each of the three "B" team leaders have indicated that time limitations have limited the scope of the analysis that could be completed, I believe the drafts produced are responsive to the charges levied on the "B" teams, and that the drafts form an appropriate basis for the discussions scheduled between each team and its counterpart. In short, the first step of the effort -- which involves the bulk of the time and costs to be expended -- has been satisfactorily completed. Discussions between the "A" and "B" teams are scheduled for the first week in November. In the absence of unexpected problems the "B" teams' final reports and their comments on the Community Estimate can easily be completed concurrently with the Estimate schedule.

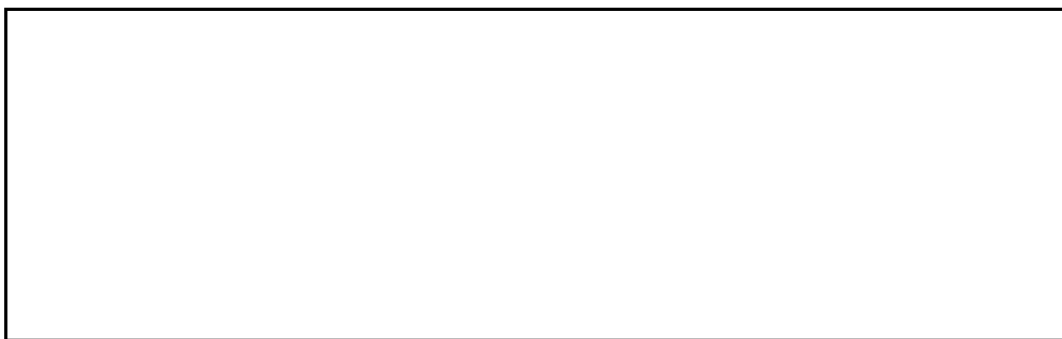
3. As of the end of the Transitional Quarter -- 30 September -- obligations of \$466,413.88 had been recorded against a total authorized amount of \$485,000 (which includes \$10,000 made available by DIA). This leaves just over \$18,000 available for the completing stages of the experiment.

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Each of these firms have been advised

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25X1 that they must stay within the original contract sums. Thus, the costs expected during October and November will result from personal service contracts, including travel, for three "A" team members - [redacted] - and for administrative expenses for the final phase of the experiment, which will include reimbursement for my time and the two secretaries supporting me plus any necessary travel for me or for [redacted] My best estimate at this time of those costs are:



4. Rounding out these figures, we have \$16,000 anticipated costs against a total of \$18,000 remaining from the authorized limit. As I see it, the only contingency which would drive the expected costs above \$18,000 would be a considerably more complicated end game than is now anticipated. Mr. Stoertz and I have agreed to try to follow a tight and limited schedule for the final phase, and if that can be accomplished I can keep very close to the expected \$16,000 in outlays -- almost certainly under the \$18,000 figure.



NIO Coordinator, Competitive Analysis